



STATE BANKING DEPARTMENT

RICHARD C. HOUSEWORTH
SUPERINTENDENT OF BANKS

JANET NAPOLITANO
GOVERNOR

Press Release

Arizona State Banking Department issues final order for unlicensed debt management activity. Miracle Management consents to restitution and civil money penalty.

**FOR IMMEDIATE RELEASE
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The Superintendent of Banks, Arizona State Banking Department, has issued a final order requiring Miracle Management, Hyla Stanton and Risk Management Partners to immediately stop doing business in Arizona and to pay \$210,646.66 in restitution and civil money penalties for operating an unlicensed Debt Management Company in Arizona. The company has consented to the order. The amount breaks down as follows:

\$ 15,000	Civil Money Penalty for engaging in unlicensed activity
\$ 95,871.35	Out-of-State Clients who have filed complaints
\$ 62,555.18	Arizona Clients who have filed complaints
<u>\$ 37,220.13</u>	All Other Arizona Clients
\$210,646.66	Total

The Superintendent of Banks' Order requires Miracle Management, and in particular its president, Hyla Stanton, to refund all fees collected from all Arizona residents. In Arizona, Debt Management Companies are required to be licensed by the Arizona State Banking Department. The Department has the authority to order the return of any fees charged by any company doing business in Arizona without a license.

The refunds to clients include any fees the clients paid and any other money that the clients paid to Miracle Management for the purpose of paying off debt. The company has paid the \$15,000 penalty to the Department. While the company claims that the refunds have already been sent to the former clients, the company has until September 23 to prove that all refunds have been paid. If the company cannot do so, under the terms of the order, the civil money penalty will increase to \$50,000. If the company fails to comply with the terms of the order to refund the amounts agreed to, the Department will pursue a Judgment in Superior Court.

After receiving complaints that the company was operating without a license and was not negotiating debt for its clients as promised, the Superintendent issued a cease and desist order on June 2, 2005. The company contested the order and the case was set for hearing on Monday, August 29, 2005. The settlement in the form of a Consent Order was issued today in lieu of a hearing. The Attorney General's Office represented the Banking Department.

The Department pursued claims on behalf of all out-of-state claimants that had filed a complaint with either the Department or the Attorney General's Office by the time of the settlement. Any Arizona residents that have not received a refund for the fees paid to Miracle Management may contact the Arizona Attorney General's Office or the Arizona State Banking Department.